of our available shipping resources was unbusinesslike and consequently very wasteful. The control and distribution of our shipping was exceedingly profitable to certain shipowners, but ruinous to the Allied cause. Whilst we were short of transport for essential war purposes and even for the food of the people, millions of tons were thrown away on superfluous luxuries, carried at ruinous freights. They ought to have been cut out of the national life during a great war. Only half our shipping was under Government control. The rest was left free for the haggling of the market, and in a war-restricted market the haggle became an exaction. One consequence of this was that a very considerable number of our

Failure to economise tonnage

ships were still trading between South American ports, where the freights were

extravagantly high because of the scarcity of ships. The ports were also congested and the defective arrangements for loading and discharging cargoes caused considerable delays, thus diminishing still further our transport capacity. The 50 per cent. of our shipping which was under Government control was by no means used to the best advantage, the Admiralty more particularly having far too large a reserve of ships for emergencies which never arose, thus immobilising ships which would have been invaluable if they had been used for urgent war services. The railway system was clogged with

non-essential traffic. This got in the way of vital needs, adding to deficiencies and delays. Unless action were immediately taken to improve the transport situation on sea and land, there was a real danger that the maximum effort which was essential to the attainment of victory would never be achieved.

The most serious result of the shipping position